

# SUMMARY ANALYSIS OF AMENDED BILL

## Franchise Tax Board

Author: Liu Analyst: Kristina E. North Bill Number: AB 1829  
Related Bills: See Prior Analysis Telephone: 845-6978 Amended Date: May 20, 2004  
Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** State Agency Contracts/Prohibits Expending State Funds For Employee Training & Service Contracts With Contractors Or Subcontractors Outside The U.S./Waiver of Requirements

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended \_\_\_\_\_.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

☒ AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as amended April 26, 2004.

☒ FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO \_\_\_\_\_.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED APRIL 26, 2004 , STILL APPLIES.

☒ OTHER - See comments below.

## SUMMARY

This bill would prohibit state and local governments from contracting for services unless the contractor first certifies that the work will be performed in the United States.

## SUMMARY OF AMENDMENTS

The May 20, 2004, amendments would exclude contracts entered into by the State Treasurer that are in connection with the sale of any evidence of indebtedness from the new requirements for contracting for services proposed by this bill.

Except for this change and the new Technical Consideration, the remainder of the department's analysis of the bill as amended April 26, 2004, still applies. The previous Implementation Consideration is repeated below for your convenience.

## POSITION

Pending.

## IMPLEMENTATION CONSIDERATION

Assuming this bill is effective and operative January 1, 2005, the language is silent on whether this bill is intended to apply to contracts awarded before that date. Absent clarifying language, the department would assume existing contracts are valid and would not be set aside. If, however, the bill is to be applicable to all existing state contracts, several significant legal concerns arise. These are discussed below under Legal Impact.

Board Position:

\_\_\_\_\_ S \_\_\_\_\_ NA \_\_\_\_\_ NP  
\_\_\_\_\_ SA \_\_\_\_\_ O \_\_\_\_\_ NAR  
\_\_\_\_\_ N \_\_\_\_\_ OUA ☒ PENDING

Legislative Director

Date

Jana Howard for Brian Putler

6/7/04

## **TECHNICAL CONSIDERATION**

Article 5 (commencing with Section 10355) of Chapter 2 of Part 2 of Division 2 of the Public Contracts Code referenced by this bill no longer exists. Amendment 1 deletes this erroneous reference.

## **LEGISLATIVE STAFF CONTACT**

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FRANCHISE TAX BOARD'S  
PROPOSED AMENDMENTS TO AB 1829  
As Amended May 20, 2004

**AMENDMENT 1**

On page 5, strikeout lines 6 and 7 and insert:

(2) Article 4 (commencing with Section 10335) of Chapter 2 of Part 2 of Division 2.